

AT A REGULAR MEETING OF THE CULPEPER COUNTY BOARD OF SUPERVISORS HELD IN THE BOARD ROOM, LOCATED AT 302 N. MAIN STREET, ON TUESDAY, MARCH 6, 2007.

Board Members Present: *Steven E. Nixon, Vice-Chairman*

Larry W. Aylor
William C. Chase, Jr.
Sue D. Hansohn
Brad C. Rosenberger
Steven L. Walker

Board Members Absent: *John F. Coates, Chairman*

Staff Present:

Frank T. Bossio, County Administrator
J. David Maddox, County Attorney
Valerie H. Lamb, Finance Director
John C. Egertson, Planning Director
Paul Howard, Director of Environmental Services
Peggy S. Crane, Deputy Clerk

CALL TO ORDER

Mr. Nixon, Vice-chairman, called the meeting to order at 10:00 a.m.

PLEDGE OF ALLEGIANCE TO THE FLAG

Mr. Rosenberger led the members of the Board and audience in the Pledge of Allegiance to the flag.

APPROVAL OF AGENDA - ADDITIONS AND/OR DELETIONS

Mr. Bossio asked that the following item be added to the **CONSENT AGENDA**:

f. The Board will consider a request from the Parks and Recreation Department to apply for a grant through the Virginia Municipal League (VML) in the amount of \$1,268. The funding would be used to install a message board at the Mountain Bike Trail Headquarters to help reduce the liability of mountain bike riders and hikers at Laurel Valley Park. The grant is 50/50 and \$634 would come from the Parks and Recreation Operating budget.

Mrs. Hansohn moved, seconded by Mr. Walker, to approve the agenda as amended.

Mr. Nixon called for voice vote.

Ayes - Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent - Coates

Motion carried 6 to 0.

APPROVAL OF MINUTES

The minutes of the January 16, 2007 special meeting, January 16, 2007 work

session, and February 6, 2007 regular meeting were presented to the Board for approval.

Mrs. Hansohn moved, seconded by Mr. Aylor, to approve the minutes as presented.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

CONSENT AGENDA

Mr. Bossio reviewed the following Consent Agenda items with the Board:

- a. The Board will consider a request from the Virginia Department of Transportation to accept Dutch Drive, State Route No. 1053; Tulip Bulb Court, State Route No. 1054; Windmill Way, State Route No. 1042; and Amsterdam Court, State Route No. 1052, in the Dutch Hollow Subdivision into the State Secondary Road System.
- b. The Board will consider a request from the Virginia Department of Transportation to accept Rixeyville Lakes Court, State Route No. 1248, and Kenton Court, State Route No. 1249, in the Rixeyville Lakes Subdivision into the State Secondary Road System.
- c. The Board will consider acceptance of and a budget amendment for the Sheriff's Office for a donation received in the amount of \$25,000 from the Virginia Sheriff's Institute. These funds will be used to fund the Citizens Police Academy and other crime prevention programs.
- d. The Board will consider a Resolution of Appreciation for the Spotsylvania Volunteer Rescue Squad for their recent donation to the Department of Emergency Services.
- e. The Board will consider a request from the Risk Management Department to apply for two matching safety grants from the Virginia Municipal League (VML) in the amount of \$1,023.00 and \$1,799.20. The funding would be used to help offset the cost of training equipment and a playground safety inspection tool kit. The grants are 50/50 and \$511.50 and \$899.60 would come from the Risk Management Operating budget.
- f. The Board will consider a request from the Parks and Recreation Department to apply for a grant through the Virginia Municipal League (VML) in the amount of \$1,268. The funding would be used to install a message board at the Mountain Bike Trail Headquarters to help reduce the liability of mountain bike riders and hikers at Laurel Valley Park. The grant is 50/50 and \$634 would come from the Parks & Recreation Operating budget.

Mr. Walker moved, seconded by Mr. Aylor, to approve the Consent Agenda as

presented.

Mr. Chase asked for additional information regarding item e.

Ms. Sheila Farmer-Dumas, Risk Manager, explained that the training equipment and tool kit would be used for inspecting the current Day Care playground.

Mr. John Barrett, Parks and Recreation Director, added that the tool kit consisted of specific types of equipment used for torso and head dimensions on different types of equipment to ensure that national safety requirements were met.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

GENERAL COUNTY BUSINESS

SPECIAL PRESENTATION

Mr. Nixon asked Mr. Tom Williams, Emergency Services Director, and the representative from the Spotsylvania Volunteer Rescue Squad to come forward, and Mr. Bossio read the following Resolution of Appreciation into the record:

RESOLUTION OF APPRECIATION FOR Spotsylvania Volunteer Rescue Squad

WHEREAS, the Spotsylvania Volunteer Rescue Squad, a volunteer agency of Spotsylvania County, is called upon to give of its time, effort, monies, and even the lives of its personnel in the pursuit of saving the lives and property of the citizens of Spotsylvania, Virginia; and

WHEREAS, the Spotsylvania Volunteer Rescue Squad recognizes the increasing time demands of responsibilities and activities of the Culpeper County Office of Emergency Services response to Emergency Medical Services needs of the Citizens of Culpeper County; and

WHEREAS, the Spotsylvania Volunteer Rescue Squad in the name of the Spotsylvania Community has generously donated a 1999 Ford Osage Ambulance to the County of Culpeper to serve its citizens in the preservation of life and property; and

NOW, THEREFORE BE IT RESOLVED that the Culpeper County Board of Supervisors, on behalf of the Citizens of Culpeper County, expresses its deepest appreciation to the Spotsylvania Volunteer Rescue Squad for its generous donation.

DONE this 6th day of March 2007

By: Larry W. Aylor, Cedar Mountain District
William C. Chase, Jr., Stevensburg District
Sue D. Hansohn, Catalpa District
Steven E. Nixon, West Fairfax District
Brad C. Rosenberger, Jefferson District
Steven L. Walker, East Fairfax District

/s/ John F. Coates
John F. Coates, Chairman
Culpeper County Board of Supervisors
Salem District

ATTEST:

Frank T. Bossio, Clerk to the Board

Mr. Williams presented the resolution to Ms. Carolyn N. Morris, Captain of the Spotsylvania Volunteer Rescue Square. Mr. Nixon thanked Ms. Morris for the donation.

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2006

Mr. David Hughes, of Robinson, Farmer, Cox Associates, thanked the County Finance Staff, the County Departments, School Board and Treasurer's Office for working cooperatively and efficiently in the record keeping that enabled him to present the annual report. He said he had submitted the report to the Government Finance Officers Association in anticipation of the County's receiving an award for excellence in financial reporting, as it had in previous years.

Mr. Hughes stated that he had issued three reports on the financial statements: The basic financial statements, compliance with laws and regulations, and the Federal assistance program. He said all three reports were unqualified, which was the cleanest opinion that could be given. He called the Board's attention to the Management's Discussion and Analysis found on pages 3-11, containing a narrative overview of the financial statements. He also called the Board's attention to page 47 that disclosed the County's long-term obligations that would have an impact on the budget process as the debt was being repaid. He said that the statistical section found on pages 91-115 had been revised in accordance with a Governmental Accounting Standards Board (GASB) requirement and contained more detailed information in the form of statistics than in previous years. He indicated that Table 5, page 100-101, entitled "Changes in Fund Balances of Governmental Funds", contained an overview of where the County was 10 years ago and where it was on June 30, 2006; and pages 102-103 had good information on property taxes and real estate assessments.

Mr. Hughes stated that there were a few items in the management letter that had been communicated to various members of the management team, and he believed they were being addressed.

Mr. Walker asked for a status report on GASB 45 regarding the County's post-employment benefits. Mr. Hughes said he understood that the County and School Board

had recently issued a proposal to obtain actuarial evaluation services and that information would probably be reported in the 2007 financial statements, which would be ahead of schedule.

Mr. Chase moved, seconded by Mrs. Hansohn, to accept the financial report as presented.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

CORONADO GROUP, LTD. PRESENTATION

Mr. Bossio reported that representatives from the Coronado Group, Ltd. would make a presentation on the recent study of records management.

Ms. Nicki Taylor, Account Technician, introduced Ms. Arleen Zank and Mr. Vinny Corace, the representatives of the Coronado Group.

Ms. Zank informed the Board that she would discuss the County's current records practices and a survey of the organization, as well as some critical issues that would be impacting public sector organizations as records management became more of an issue. She said she found that County employees had a good understanding of their obligations and requirements for taking care of the County records, and that Culpeper County was in better shape than most of the counties she have worked with.

Ms. Zank explained that one of the things that was happening in the public sector arena at the present time was a discussion regarding communications among three or more public officials in exchanging e-mails, talking on cell phones, using laptops, etc., where the conversations could be a part of the public record. She said that as the County made decisions with respect to technology, the records management component will become more significant and the types of records to be managed will become more complex.

Ms. Zank stated that between October 2 and 27, she conducted a records inventory of the County's current holdings to determine the quantity of holdings and how and where they were stored, and how key personnel used the records day to day. She said standard filing mechanisms were used to determine the volume and found that there were approximately 12 million pages of materials stored in various forms of boxes, filing cabinets,

and bins, as well as unfiled documents in various offices.

Ms. Zank noted that public sector organizations were increasingly being called upon to manage and produce e-mail messages, and there was a tremendous need to keep data base information with the complexity of the FOIA requests there were increasing due to citizens being more aware due to computer access. She said with the increased volume of records due to the growth of population and new businesses, the need for information would continue to grow. She noted that the County's current records were stored in many nontraditional locations, such as in the Courthouse bell tower, an attic in the Sheriff's Office, a jail cell, and some medical information in an insurance office basement, some of which were in non-climate controlled self-storage facilities with limited security. She pointed out that the Library of Virginia charged 27 cents a box for records that were not frequently accessed and could handle the disposal of those records at the appropriate time. She said the nature of what constituted a record and its value had changed dramatically since the 1997-2001 time frame.

Ms. Zank felt it was compelling for the County to institute an electronics management program. She said that the County was doing a good job of managing its paper records in the formats designed by the Library of Virginia, but there was no organized structured program for management of electronics records. She recommended the acquisition of a 5015.2 compliant records management system that was used by the Department of Defense and supported by National Archives and Records Administration (NARA). She stated that the County's e-mail needed to be managed under the same retention schedule as other documents recreated in the County. With the accelerating number of requests from the State of Virginia for e-mail based messages, the County needed to be aware that the ability to actually charge for the research cost would probably soon be disallowed under the FOIA laws.

Ms. Zank made the following recommendations based on the assessment of the County's current records management environment, the requirements of the Virginia Public Records Act and the guidance provided by the Library of Virginia, and records management best practices for managing physical and electronic records in a single comprehensive program:

- (1) Acquire, customize, test and implement a DOD 5015.2 compliant electronic records

management environment; (2) acquire a single enterprise electronic records management system that could be managed centrally for all County Departments using the same infrastructure to insure consistent implementation of records management processes and policies; (3) implement an electronic records management program immediately, with an initial priority to address e-mail management; (4) implement tighter controls on the creation and management of electronic documents and e-mail and use of County desktop computers; (5) implement a vital records program and consider using vital records as a test project for implementing imaging within the County; and (6) designate a Records Manager who would be responsible for implementing the new electronic records program, helping to develop records processes and policies for physical and paper records, assisting the department in migrating to the new program.

Ms. Zank concluded by stating that the County was in the position to establish a program quickly to solve some of the office space problems, preserve the continuity of operations, and deal with making information more accessible to its citizens.

Mr. Chase asked for clarification on providing information under FOIA requests. Ms. Zank stated that when a request under FOIA was received, the information could be made available electronically and the cost for producing the information would be shifted to the person making the request.

Mrs. Hansohn inquired about the accessibility of materials stored at the Library of Virginia and how long would it take to retrieve a document if needed. Ms. Zank replied that the records would be stored in identified boxes, and the State Records Center would create an inventory of those boxes for ready access so that the box could be returned if needed. She added that the State Records Center was designed for long-term storage of records that would be managed and disposed of at the appropriate time.

Mrs. Hansohn asked whether Ms. Zank recommended that the School System be included in the County's records management program since they had a large quantity of student records to manage. Ms. Zank replied that one system could be purchased for the entire County, and the records of each department could be partitioned individually.

Mrs. Hansohn stated that she had a problem with an e-mail being a record, when a telephone call was not.

Mr. Walker inquired whether the Department of Human Services and the School

System were included in the study. Ms. Zank replied that neither was included. Mr. Walker asked about the Sheriff's Office. Ms. Zank stated that she looked at some of the Sheriff's records, but most were covered under the Criminal Justice records and retention process.

Mr. Walker asked for advice regarding how electronic communications could be handled. Ms. Zank stated that voice mail on a telephone or Blackberry, instant messaging, etc., were considered a record, and it was important to have a plan before such acquisitions were made.

Mr. Nixon acknowledged there were several things the County would need to address, including a centralized, climate-controlled storage area, large enough to accommodate the paper records and manage electronic data records. He asked how easily the system could be upgraded after records were stored electronically in the new media format. Ms. Zank replied that there were two formats coming from NARA: One was an Adobe PDF/A that was an archival version of the PDF, so when a document was sent, it would be converted to PDF/A and ready for archival storage to the appropriate depository by the press of a button; and the other was a style of XML (eXtensible markup language) that rendered the document into a format that was readable by most of the providers of document-based technology, such as Microsoft. She stressed that the important issue was the cost savings in saving electronically.

Mr. Bossio thanked the Board for sponsoring the program and said he would be bringing information forward as it became available.

Mr. Nixon announced that before proceeding, he would like to recognize and welcome Delegate Ed Scott, who was present, as well as several School Board members, including Chairman Elizabeth Hutchins; Dr. David Cox, Superintendent, and Dr. Eric Conte, Assistant Superintendent; and Chip Coleman and Chris Snyder, Town Councilmen.

**CONSIDERATION OF REQUEST FROM THE RAPPAHANNOCK-RAPIDAN
COMMUNITY SERVICES BOARD AND AREA AGENCY ON AGING (RRCSB-AAA)**

Mr. Brian Duncan, Executive Director, RRCSB-AAA, presented a Resolution Authorizing Borrowing by RRCSB-AAA, not to Exceed \$1,000,000, to the Board for consideration. He explained that in late 2006, the Community Services Board of Directors did a review of business operations and determined that it would be a good business practice to develop a general borrowing line of credit resolution and to seek approval from

the County governments. He stated the Community Services Board (CSB) had never borrowed any money for day-to-day operations in the past, but it had been suggested by a financial institution that they do so. He said that John Bennett, the CSB's attorney, drafted a resolution which all of the local County Attorneys reviewed and provided feedback to be incorporated. He reported that Fauquier, Madison and Rappahannock Counties had approved the resolution, and he would be seeking approval by the Orange County Board of Supervisor in the near future.

Mr. Duncan stated that the borrowing resolution would be for a \$1 million credit line. He explained that 60 percent of the CSB budget was comprised of third-party reimbursement sources, and since it took approximately 30 to 180 days to receive reimbursement for services, it would be prudent to have a general purpose borrowing resolution in place in the event it was needed. He said funds would also be available in the event large repairs or replacements were required for any of the 26 CSB facilities located throughout the five counties. He pointed out that it was often in the best interest to purchase a small office or home to operate a program as opposed to renting, and the resolution would allow the ability to do this after approval by the 15 member Community Services Board of Directors. He noted that the CSB had reserves to meet the day-to-day operational costs, but the resolution would be beneficial to ensure continuity of its programs and services.

Mr. Chase asked the County Attorney whether this request committed the County Government in any way. Mr. Maddox assured him that it did not.

Mr. Chase moved, seconded by Mrs. Hansohn, to approve the borrowing resolution for the RRCSB-AAA.

Mr. Walker asked whether the CSB had accounting processes in place to ensure rapid repayment of any borrowing. Mr. Duncan replied that all borrowing would require the preapproval of the Board of Directors and the Board would take the fiduciary responsibility for repayment. He said that the CSB was subject to the same auditing requirements as any public entity, and any obligations would be audited by an independent auditor each year.

Mr. Walker asked whether the CSB had specific procedures in place for repayment. Mr. Duncan stated that the organization had not developed specific procedures. Mr. Walker inquired whether the CSB would be developing procedures. Mr. Duncan replied that they

would work toward developing procedures. Mr. Walker stated that perhaps Mr. Duncan could discuss specific procedures when he presented his next annual report to the Board of Supervisors. Mr. Duncan agreed to do so.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

Mr. Nixon recessed the meeting at 11:05 a.m.

Mr. Nixon called the meeting back to order at 11:17 a.m.

UPDATE ON NEW ELEMENTARY SCHOOL

Ms. Elizabeth Hutchins stated that before she discussed the new elementary school, she wanted to assure the Board that the School System had been working on records retention by transferring student records from paper to electronic storage for approximately three or four years, and their e-mails were already being automatically archived by the Auto Archive system.

Mrs. Hutchins thanked the Board for its support and for the opportunity to bring news about the development of the County's sixth elementary school. She said that she and Mr. Dasher had been a part of a committee that had been meeting for several months to work on plans for the building, and those plans had been submitted to Richmond for the Literary Loan application. She stated that at the last School Board meeting, a resolution was passed that would be coming to the Board to ask that the necessary steps be taken in order to secure the second half of the to complete the project and open in 2008.

Mr. Dasher reported that his goal was to ensure that the Board of Supervisors approved the appropriation of funds at its April 3 meeting so that a contract could be awarded by April 16. He said the drawings were on the street, six sets had already been picked up, and at least three general contractors would be submitting bids. He said that Crabtree, Rohrbaugh and Associates, located in Mechanicsburg, Pennsylvania, had been selected as the architects through the bid process, and biweekly meetings had been held with them since the beginning of the project. He noted that many hours had been spent with the architects and their electrical, mechanical and civil engineers on value engineering the design in order to achieve the best "bank for the buck". He explained the project was on

a very tight budget, and \$800,000 had been included in the cost line for additional road work required for turn lanes and signal lights on Route 522 and relocating Yowell Drive entrance a couple hundred feet toward Town. In addition, a number of alternates had been included in the bid package, so that when the bids were received by March 29, the contract could be awarded by April 16, as planned.

Mr. Dasher introduced Mr. Tom Crabtree, Senior Partner; Mr. Hal Hart, Project Director; and Mr. Jeff Straub, Project Architect, from Crabtree, Rohrbaugh and Associates.

Mr. Crabtree expressed appreciation to the Board for the opportunity to work with them. He reported that his company had recently opened its Virginia office in Charlottesville. He provided background information on Crabtree, Rohrbaugh and Associates and stressed that the company would deliver the project on time and on budget in spite of the additional road work required.

Mr. Hall reported that the project was on an aggressive schedule with six months to work through the programming, develop educational specifications, consider sustainable and high performance design issues, consider safety and building security, develop a checklist to look at alternative structural systems, materials, and deliver a quality set of contract documents. He listed some of the project goals that served as a framework as the project was being developed and stated that biweekly meetings were held. He reviewed the activities that took place in order to meet that schedule and stated that value engineering was not considered separate from the design, but as an inherent part of every decision made from the beginning.

Mr. Hall stated that overall goals were relegated to good commonsense design and safety and security, with separation of bus and vehicular traffic, and ways the community and faculty could use the site, with adequate parking. He said the building planning goals were to promote good working instructional space and provide flexibility of the building so that it could serve the County for the next 20 years and beyond, to provide a healthy sustainable building, address green environmental issues and provide a sustainable design for the building materials and energy efficiency. He said they wanted to create and provide for the School Division a safe, welcoming building that the community would embrace and enjoy.

Mr. Hall indicated that the schedule was actually a copy of Schedule B that was part

of the architect's contract, and those dates were being met. He said that building construction would begin in mid-April with substantial completion by August 1. He said that after review with Mr. Hunter Spencer, Director of Construction for the School Division, and the School Board Committee, it was decided to keep the site work as part of the main project to order to receive a better construction price.

Mr. Straub reviewed the site plans, the building plans, and some renderings to demonstrate what the building would look like. He said the site was approximately 15 acres and shaped like an "L", with the majority of the construction relegated to the bottom part of the "L" with the school in the middle. He said there were some wetlands to the right of the school, and additional site constraints such as a 200-year old historic tree that needed to be accommodated and major power lines to be considered. He stated that the parental drop-off and public entrance in the front of the building would be separated from a separate bus drop-off loop to the rear of the building, and adequate parking provided for faculty, parents and visitors. He indicated a two-story floor plan was used for the building and, because of a substantial slope on the site, it appeared to be a one-story building from the front. There was a linear atrium through the middle of the building to allow students to come in from the back of the building, parents to come in from the front, and both disbursing throughout the school. He pointed out the location of the administrative suite and gymnasium on the top level and indicated there would be three classroom pods for K-5, with the same block being repeated three times and stacked on top of each other in order to separate the grades. The lower level would repeat the classroom pods using load bearing masonry to stack walls directly on top of each other so they could be built economically and quickly. He stated that with the location of the gymnasium, it could be entered from the bus drop-off loop and be accessible for use by the community. He displayed 3-D images to show what the outside of the building, the majority of which would be red utility brick with a limited amount of masonry construction in the front and more toward the back of the building, and some metal panels.

Mr. Hall reviewed a one-pay summary of costs with site work estimated at \$2.4 million, with \$1.6 million for onsite development and the remaining for offsite improvements, including the potential traffic signal. He said the new school was listed at approximately 84,000 square feet, including canopies, and the total construction cost including site work was approximately \$13 million or \$154.44 per square foot. He estimated soft costs to be \$2

million additional and \$475,950 for moveable fixtures and equipment, plus costs for printing documents, etc., bringing the total project cost to approximately \$15 million.

Mr. Chase asked for an example of a “moveable fixture”. Mr. Hall replied that it included items such as student and teachers’ desks, copies, and other equipment. He added that the school would have wireless technology, with overhead LCD projects to replace televisions.

Mr. Walker thanked the architects for their comments, especially regarding their continual value engineering throughout the project because of its benefits to saving costs. He inquired why Charlottesville had been chosen for their Virginia location. Mr. Hall replied that Charlottesville was chosen to attract talent and architects because of its proximity to the University of Virginia and Virginia Tech, both with good architectural schools.

Mr. Walker pointed out that the Board had made an extensive review of funding for the new school, crunched numbers, and identified \$14.9 million for that purpose. He said he appreciated that the project was on budget and hoped that it would come in under that figure.

Mrs. Hansohn stated she liked the pod design on the two levels and felt it would work well for the students in that age group. She asked Mr. Hall whether he was confident that the additional site work could be done within the budget. Mr. Hall replied that they were looking for outside funding sources for some of the offsite improvements, such as the signalization, but with the alternates included in the bidding documents as a safety valve, he felt comfortable with the budget as presented.

Mrs. Hansohn asked whether better bids would be received since the building industry was in a lull. Mr. Hall replied that would be hard to predict, but he was encouraged by the interest being shown in bidding on the project.

Mr. Aylor complimented the School Board, School Administration, and the architects for their achievements in such a short time. He expressed concern that masonry was being used instead of steel and masonry and asked whether masonry was more cost effective.

Mr. Hall replied that the building was actually steel and masonry, with steel roof joists and floor joists resting on masonry bearing walls. He said they agreed that a metal and stud dry wall with a brick veneer was more economical as an exterior wall than a block wall with a brick veneer, but by eliminating the steel frame, there was a cost savings of

approximately \$571,000, and adding back the premium cost of the masonry walls versus the dry wall and metal stud of approximately \$250,000, there would still be an approximate \$330,000 net savings. He said he had detailed cost data available for review.

Mr. Aylor stated that as the Board was responsible for the taxpayers' money, he would be interested in reviewing the cost comparisons. Mr. Hall said he would be happy to review those numbers with him.

Mr. Nixon commented that the school had a flat roof and it would probably leak. Mr. Hall replied that the roof actually had a slope to it and the contractors would guarantee the roof for 10 years. Mr. Nixon asked if the warranty would be in writing. Mr. Hall assured him that the warranty would be made by a national firm to ensure that the roof was well maintained and create no problems.

Mr. Nixon stated he was very impressed by the fact that the architects had answers to all of the Board members' questions and that they provided pertinent information.

Mr. Walker stated that he agreed with Mr. Nixon and appreciated the straightforward answers, and he thanked the School Board and the School System for selecting Crabtree, Rohrbaugh and Associates for the project.

Mrs. Hutchins reminded the Board members they had received invitations to the April 12 groundbreaking for Yowell Elementary and she hoped they had marked it on their calendars.

UPDATE ON DOMINION POWER PROPOSAL TO CONSTRUCT A NEW 500 kV LINE

Mr. Bossio introduced Mr. John D. Smatlak, Vice President of Electric Transmission for Dominion Virginia Power, and stated he would be discussing a proposal to construct a new 500 kV line and answering any questions.

Mr. Smatlak stated he appreciated the opportunity to explain some of the issues surrounding the new transmission line that Dominion Virginia Power planned to construct. He made a PowerPoint presentation that was also available on the internet at DOM.com.

Mr. Smatlak explained that Dominion Virginia Power projected that they would have an overloaded transmission line by 2011 due to an explosive amount of growth and economic development throughout Northern Virginia. He said this line was part of a larger line that they were jointly building with Allegheny Power that began in Southwest Pennsylvania, ran to Dominion Virginia Power's Mountain Storm Power Station in West

Virginia, then to Meadow Brook near Winchester in Allegheny Power's territory, and over to their Loudoun substation. He noted that a recent Weldon Cooper Center report indicated that Culpeper County was the sixth fastest growing county in Virginia and it was not just new homes that caused the increased power demand, but existing homes as well primarily due to additional computers, television sets, etc.

Mr. Smatlak discussed the challenges of increased demand due to increased data centers and stated that Northern Virginia was one of two primary hubs, with California being the other. He said he understood that some data centers would be locating in Culpeper County in the near future. He added that increased demand was also due to commercial development growth, and expanding Federal facilities, and businesses, and the new transmission line would be needed to handle that growth. He stated the Dominion Virginia Power had always followed industry best practice guidelines when planning its transmission system expansion, and those guidelines did not allow for an overload transmission line anywhere in the system. He said that after the passage of the Energy Policy Act of 2005 by Congress, those guidelines were now mandatory regulations and Dominion Virginia power was under mandate to follow them subject to fine up to \$1 million a day if not in compliance.

Mr. Smatlak explained that PJM, a regional transmission organization comprised of utilities from Chicago to New Jersey, including Virginia, had conducted studies and agreed with Dominion Virginia Power that the current lines were overloaded and a new transmission line was needed. He said that the U. S. Department of Energy had also done studies and named two areas in the country as critical congestion areas: One of those was Northern Virginia to New York; the second was in Southern California.

Mr. Smatlak warned that if this line were not built, the area was at high risk of having rolling blackouts throughout Northern Virginia down to Stafford County, including the Culpeper and Winchester area. He said in order to avoid the risk of a cascading blackout in 2011, rolling blackouts would be implemented where the equivalent of 475,000 homes, including commercial and governmental, would have their power shut off for about 15 minutes and then restored, and another group would experience the same blackout, rolling them throughout Northern Virginia multiple times over hours and days in order to get through the period when the transmission line was overloaded.

Mr. Smatlak stated that after many analyses on possible solutions, Dominion Power

believed the only feasible solution was to bring a transmission line from Southwest Pennsylvania to Mount Storm Power Station in West Virginia to Meadow Brook near Winchester and over to Loudoun, and it would need to be in operation by the spring 2011. He said that an initial proposal was to run the line along the Interstate 66 corridor, but a year later when the transmission load flow model they were using was updated, it was determined that the southern route through Culpeper was now electrically comparable to the I-66 corridor. The other alternative using VDOT right-of-way on I-66 was still under consideration and VDOT was researching that possibility, but the southern route was the preferred route to follow. He said that the southern route was approximately 25 miles longer (65 miles versus 40 miles along the I-66 corridor) and it would cost approximately \$210 million for the Dominion Power segment beginning near the near the Rappahannock line to Loudoun versus approximately \$150 million along the I-66 corridor.

Mr. Smatlak pointed out that the potential to install the line underground would be a higher reliability risk. Although underground typically had fewer problems, when there was a problem it would take approximately four to six weeks to make a repair and get the line back in service at an extremely high cost. He noted that it would cost approximately \$1.7 billion for the proposed route. He stated that Dominion Power had looked at multi solutions, including conservation and generation, but neither would resolve the overload on a transmission line.

Mr. Smatlak stated that Dominion Power always looked to find a route that had the least impact on historical sites within a mile of the line, on environmentally sensitive areas, the number of homes within 100 feet of the line, the number of homes within 500 feet of the line, and conservation and open space easements, as well as opportunities to parallel existing corridors, whether that was an interstate highway, railroad corridor, a gas pipe line, or an existing transmission line. He said that they planned to file an application with the State Corporation Commission (SCC) in April, and the SCC would hold public hearings in Northern Virginia and Richmond area before making the final determination on the need for the line, the best solution for the overload, and the best route for the line.

Mr. Chase thanked Mr. Smatlak for coming and making the presentation. He questioned the cost effectiveness of bringing the transmission line through Culpeper since that would be twice as long as the one along the I-66 corridor. He said he felt that politics

had played a role when Dominion Power had planned to go through Loudoun County because there were strong objections from the more powerful and more wealthy residents.

Mr. Smatlak stated he understood Mr. Chase's perception of the situation in Loudoun, but that was not the case. He explained in detail the process Dominion Power used in determining sites and agreed the study area was changed from Loudoun County not because anyone was complaining or because wealthy people were involved, but because of conservation easements. He said that when filing with the SCC, it would be incumbent upon Dominion Power to prove the need for the line and that the southern route was the best solution. He said also that all of their analyses would be presented, including the routes in Loudoun County and the reasons why it was believed not to be the best route.

Mr. Chase stated he was not questioning the need for the line, just the location.

Mr. Rosenberger stated the reason there were transmission overloads was because Dominion Power was moving the power too far and the overload on the system would not occur if the power were generated closer to the need. He said he did not question the need for the line, but he did have a problem with the proposed path being suggested.

Mr. Bossio stated that he was concerned regarding the comment that the two routes were electrically comparable at this time, and he would appreciate having a more in-depth explanation because he felt the length of the line would make a substantial difference.

Mr. Smatlak explained that he stated the two routes were electrically comparable, but he did not say there were electrically equal. He agreed the longer distance would add more impedance because there would be more wire, so the southern line would not be equal to the path along Route I-66. He stated that the southern route would resolve the overload through 2013 under the latest model received in February, while the I-66 route would resolve the overload through 2014, which meant they were electrically comparable. He said that he did not believe a one-year difference was sufficient to sway them from using a parallel and existing transmission line.

Mr. Bossio stated that explanation caused him more concern because as he understood modeling, a change in the variable of how electrical outcomes were expected in terms of the receptors in Northern Virginia would drive that variable to say that the two were electrically comparable.

Mr. Nixon asked why Dominion Power would spend more money to accomplish the

same goal since it would \$150 million to run the line along Route I-66, and \$210 million for the southern route.

Mr. Smatlak replied he did not want to understate the impact on the landowners along the existing transmission lines because there would be a great impact to them by adding additional right-of-way in some areas and another set of towers and wires, but he felt there would be less impact on them because the line was already there for the entire length of the route versus going into a new area where there was an interstate nearby with no transmission towers or transmission wires.

Mr. Nixon stated that he felt a \$60 million difference was significant. Mr. Smatlak agreed, but explained that Dominion Power was charged with balancing what had the least impact on landowners while keeping the costs down. He said the decision to propose the southern route was made believing it had less impact even though it had higher costs.

Mr. Nixon felt that going along Route I-66, using VDOT right-of-way, would have less impact because there was already an established right-of-way.

Mr. Smatlak stated that he failed to mention earlier that a view shed study was done on each of the routes to determine the impact on the people that not only owned the land under the line, but could also see it.

Mrs. Hansohn pointed out that Culpeper County also had a beautiful view shed of the Blue Ridge Mountains that would be affected. She asked for a description of the new lines and towers. Mr. Smatlak replied that would were similar to those currently in use. Mrs. Hansohn asked whether they would be any larger. Mr. Smatlak replied that they would not be any larger for half of the route through Culpeper County, but through the other half they may be 5 or 10 feet taller because there was another transmission line there owned by Rappahannock Electric Co-op on the side and they may be put on the same new towers, with Dominion Power's 500 kV lines on the top and the Rappahannock Co-op lines underneath that would force those towers to be taller.

Mrs. Hansohn asked how much more right-of-way would be needed. Mr. Smatlak replied that generally another 100 feet would be needed in addition to the current 150 feet. He said in the areas where houses had been built close on both sides of the existing transmission right-of-way, they would narrow down and use the same right-of-way to avoid impacting those houses and replace the existing structure with a taller pole instead of a

latticed tower.

Mrs. Hansohn asked whether an impact study had been done on Culpeper County. Mr. Smatlak replied that the area had been flown, but not all of the analysis work had been completed to determine the impact of the new line.

Mrs. Hansohn asked whether Dominion Power planned to hold public hearings before the application was submitted to the SCC. Mr. Smatlak replied that Dominion Power was still trying to determine the best way to communicate to the affected landowners, and a final decision had not been made. He added there would be ample opportunities for the public to have input. Mrs. Hansohn stated it was very important to have public hearings and suggested that the Jeffersonton Community Center would be an excellent location.

Mr. Rosenberger stated that the preferred route should be the shortest route between two points, and it would also be the most cost effective route. He asked whether the power line belonging to Rappahannock Electric that was buried in Agricultural and Forestal Districts would be unearthed and placed on taller towers. Mr. Smatlak replied that he did know the answer to that as yet.

Mr. Rosenberger said since Dominion Power was able through its engineering process to neck down the right-of-way and use single monopoles in the narrow areas, he asked why it could not be done through the entire route to cut down on the infringement. Mr. Smatlak replied that could not be done because it would violate Federal regulations. He explained they were permitted to neck down for very short distances without causing undue reliability risks of having two 500 kV transmission lines with a substantial capacity to move power.

Mr. Rosenberger felt that statement made a good argument for burying the line wherever possible. He also felt that in regard to preserving view scapes, the "wealth" should be shared with Loudoun County.

Mr. Walker questioned whether additional right-of-way was required in Culpeper County because he thought he heard no additional right-of-way would be needed. Mr. Smatlak replied that additional right-of-way would be required.

Mr. Walker asked what was the benefit to Culpeper in having the project in the County. Mr. Smatlak replied that keeping the lights on was a huge benefit, especially with the new school being built. He said that Dominion Power had not been able to determine

how to build a transmission line that would be welcomed by the community. He explained that the people who needed electricity the most were the elderly and sick, as well as medical facilities, and the greater good had to be considered.

Mr. Walker questioned the 29 percent change in population quoted by Mr. Smatlak at the beginning of his presentation. He pointed out that even though Northern Virginia only had 13.8 percent growth figure, the total growth was 251,166, versus Culpeper's 9,921, and he felt that Culpeper, Rappahannock and Fauquier Counties were being used to take care of a problem that was in Northern Virginia. He said that Dominion Power was actually traveling through the Culpeper area to provide electricity to Northern Virginia instead of going through Northern Virginia to provide electricity to Northern Virginia.

Mr. Smatlak agreed he was using percentages to describe the growth taking place, but that Mr. Walker was correct that most of the actual growth was in Northern Virginia, but he had wanted to indicate the growth in Culpeper County. He said that the transmission grid was interconnected from the Rocky Mountains to the Atlantic Ocean, and all the power that was used in Culpeper County, whether served by the Town's municipal service, Rappahannock Electric Co-Op or the retail customers of Dominion Virginia Power, came through the Allegheny and Dominion transmission lines; and, if a problem occurred because of overloaded transmission lines, Northern Virginia would be affected, as well as Culpeper, Fauquier and Loudoun Counties.

Mr. Aylor stated that he agreed with the commonsense approach that shortest route was the best route, but he had not heard any mention of the pros and cons of using a combination of towers and burying lines to protect the view shed. Mr. Smatlak replied that if the SCC told them to put the line underground, he would propose that it be done with direct current not alternating because of the cost of converter stations.

Mr. Nixon thanked Mr. Smatlak for his willingness to come and address the Board and to answer their many direct questions.

Mrs. Hansohn asked Mr. Smatlak how long he had known about the Culpeper route since she only became aware of it recently. Mr. Smatlak replied that press releases were issued in February based on information received on updating the transmission flow model.

Mr. Nixon stated that Rappahannock County and Fauquier County had asked Culpeper County to join in the fight against the line and thought that could be done in the

form of a resolution if the County Attorney had prepared one.

Mr. Maddox distributed copies of a proposed resolution to the Board members expressing opposition to the transmission line through Culpeper County.

Mr. Rosenberger moved, seconded by Mr. Chase, to adopt the resolution in opposition to the transmission line.

Mr. Rosenberger noted that the third paragraph of the resolution referenced the National Environmental Policy Act and the American Farmer Protection Act and asked whether it would not be prudent to also reference the Agricultural and Forestal Districts Act of Virginia. Mr. Maddox replied that he would amend the resolution to include that reference.

Mr. Rosenberger moved to adopt the resolution as amended. Mr. Chase agreed with amendment.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

PRESENTATION OF BUDGET REQUESTS FOR FY 2007-08

Mr. Bossio explained that every year at this time, he presented the budget requests for FY 2007-08 and asked Mrs. Valerie Lamb, Finance Director, to distribute copies of the working documents to the Board members. He mentioned that the revenue picture was not complete because of the reassessments and those figures needed to be incorporated. He said that the County's insurance rates had decreased 10 percent and that would have a significant impact. He also mentioned that recent State legislation awarded additional dollars to the School System for teachers' salaries, and he thanked Delegate Scott for his assistance in that endeavor, and said he would be meeting with the School Superintendent regarding the school budget. He stated that revenues would need to be addressed, as well as what items would be cash managed from the General Fund, before presenting the budget requests to the Board. He noted that the beginning balance was approximately \$30 million off in the budget and that figure had been reduced to approximately \$8 million, and work would continue on that endeavor.

AWARD OF CONTRACT

Mr. Bossio asked the Board to consider awarding a contract to Garsite/Progress, L.L.C., in the amount of \$85,165 for a refueling truck for use at the Culpeper County Airport. He stated that the fuel truck being leased was very old, and it made sense to purchase a truck in lieu of continuing to make lease payments, coupled with the amount of maintenance required. He noted that the cost of the truck would be repaid by fuel sales. He asked Ms. Tanya Woodward, Airport Manager, to distribute information regarding the tremendous increase in sales since the runway was extended to 5,000 feet.

Mr. Chase moved, seconded by Mr. Aylor, to approve the contract.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

MEMORANDUM OF UNDERSTANDING (MOU)

The Board will consider a Memorandum of Understanding between the Library of Congress, the Architect of the Capitol, and Culpeper County Emergency Services.

Mr. Tom Williams, Emergency Services Director, informed the Board that the Library of Congress had asked the County to enter into an agreement with them indicating that the Department of Emergency Services would respond to its facility in the event of a medical emergency or a fire and asked for the Board's consideration of the Memorandum of Understanding.

Mrs. Hansohn questioned why an agreement was required when the County's emergency team would respond without a formal agreement. Mr. Williams replied that the Library of Congress required that the County understand its security procedures and operations of the on-scene commander.

Mr. Chase moved, seconded by Mr. Walker, to approve the Memorandum of Agreement with the Library of Congress.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

Mr. Nixon recessed the meeting for lunch at 12:52 p.m.

Mr. Nixon called the meeting back to order at 2:35 p.m.

Mr. Chase did not return.

NEW BUSINESS

COMMITTEE REPORTS

BUILDINGS & GROUNDS REPORT - FEBRUARY 13, 2007

Mr. Aylor reported that the Buildings and Grounds Committee met and had no recommendations to bring forward to the full Board, but he would like for the Board to have an update on space for the Registrar's Office

Mr. Paul Howard, Environmental Services Director, reported that he was working with the current owner for a five-year lease, with an option of two five-year renewals. He said that renovations would cost approximately \$250,000 to create enough space for the Registrar's Office, plus seven additional offices that could be used for other County functions. He stated that the asbestos report indicated there was asbestos in some of the ceiling tiles and in some of the plaster on a couple of the walls, and he was working with the owner on a plan for any remediation that might have to be done. He said the major problem at the present time was where to relocate the Registrar's Office in the interim because that office had to be in place by October 1 to prepare for the November elections, and the Department of Justice required a 60-day notice for relocating. He noted that space in the Wachovia Bank building was being considered as a temporary home and the present space as a permanent home, and the Committee would make a final decision at its next meeting.

See Attachment #1 for details of meeting.

RULES COMMITTEE REPORT - FEBRUARY 13, 2007

Mr. Walker reported that the Rules Committee met and was forwarding the following recommendations to the full Board:

1. Recommending to the full Board to approve the resolution to extend the cable franchise originally granted to United Telesystems, Inc. scheduled to expire April 2007, to end simultaneously with the County's 2nd cable franchise scheduled to expire June 2007, in order to have a single negotiation of a single cable franchise.
2. Recommending to the full Board that the Purchase of Development Rights (PDR) Ordinance be referred to the Agricultural Resource Advisory Board.
3. Recommending to the full Board that the Coronado Group make a presentation at

the March Board meeting on the Records Management Strategic Study.

4. Recommending to the full Board to rebate building permit fees paid in the amount of \$500 to the Culpeper Recreation Foundation, Inc., for two concession stands at the Community Complex.
5. Recommending to the full Board to rebate building permit fees paid in the amount of \$268.32 to Rapidan Better Housing.
6. Recommending to the full Board to approve the Planning Funding Agreement with Nextel Operations, Inc.

Mr. Walker reported that the first item from the Rules Committee was the extension of the cable franchise. He asked Mr. Maddox to provide some background information.

Mr. Maddox stated that the smaller issue was extending the cable franchise originally granted to United Telesystems expiring April 2007, so that it would expire simultaneously with the County's second cable franchise scheduled to expire June 2007, resulting in a single negotiation for a single cable franchise. He said the larger issue was a problem with Comcast, who had made it clear they did not have to agree to a franchise and would proceed under the ordinance, but Comcast had agreed to meet and consider the County's suggestions.

Mr. Walker moved, seconded by Mrs. Hansohn, to adopt the resolution to coordinate the two franchise agreements for combined negotiations.

Mr. Nixon called for voice vote.

Ayes – Aylor, Hansohn, Nixon, Rosenberger, Walker

Absent – Chase, Coates

Motion carried 5 to 0.

Mr. Walker stated that the second item was a Purchase of Development Rights (PDR) Ordinance that originated in the Agricultural Resource Advisory Committee and recommended by the Planning Commission.

Mr. Walker moved, seconded by Mr. Aylor, to send the ordinance back to the Agricultural Resource Advisory Committee for a review of the changes made since originally prepared.

Mr. Rosenberger asked whether any discussion had occurred regarding the possibility of having a referendum placed on the November ballot to determine if the

taxpayers would be willing to earmark a certain amount of money in the budget toward raising funds for the purchase of development rights. Mr. Walker replied that there had not been any discussion regarding that issue, but the Advisory Committee could be asked to consider it if the Board wished them to do so.

Mr. Nixon called for voice vote.

Ayes – Aylor, Hansohn, Nixon, Rosenberger, Walker

Absent – Chase, Coates

Motion carried 5 to 0.

Mr. Walker stated that the third item regarding the Coronado Group presentation had been taken care of earlier.

Mr. Walker said the four item was a request for a rebate of \$500 to Culpeper Recreation Foundation for building permits.

Mr. Walker moved, seconded by Mrs. Hansohn, to approve rebating the building permits fees of \$500 to the Culpeper Recreation Foundation.

Mr. Nixon called for voice vote.

Ayes – Aylor, Hansohn, Nixon, Rosenberger, Walker

Absent – Chase, Coates

Motion carried 5 to 0.

Mr. Walker reported that the fifth item was a request for a rebate to the Rapidan Better Housing for \$268.32 covering building permits for rehabbing a house destroyed by fire.

Mr. Walker moved, seconded by Mr. Aylor, to approve a rebate to the Rapidan Better Housing in the amount of \$268.32 for building permit fees.

Mr. Nixon called for voice vote.

Ayes – Aylor, Hansohn, Nixon, Rosenberger, Walker

Absent – Chase, Coates

Motion carried 5 to 0.

Mr. Walker stated the sixth item was recommending the approval of a contract with Nextel Operations at no-cost to the County to correct problems related to a 800 MHz system that Nextel used. He noted there was a 10 percent administration fee that the County would receive for assisting them with paperwork. He said Mr. Alan Culpeper,

Director of Procurement and Communications, was present if there were any questions.

Mr. Walker moved, seconded by Mrs. Hansohn, to accept the no-cost contract with Nextel Operations, Inc.

Mr. Culpeper explained that the action to be taken was a rebanding of the 800 system mandated by the FCC in August 2004 because Nextel Communications was too close to the public safety 800 MHz band and a reconfiguration of the frequencies was required. He said that Nextel would assume the costs of paying the vendors, consultant's fee, and administrative costs.

Mr. Nixon called for voice vote.

Ayes – Aylor, Hansohn, Nixon, Rosenberger, Walker

Absent – Chase, Coates

Motion carried 5 to 0.

Mr. Walker reported that the Rules Committee had completed its discussions on ideas and concepts regarding taxes and billing unless the Board decided that the issue should be revisited at any time.

See Attachment #2 for details of meeting.

PUBLIC WORKS COMMITTEE REPORT - FEBRUARY 13, 2007

Mrs. Hansohn reported that the Public Works Committee met, but there were no action items to bring to the full Board.

See Attachment #3 for details of meeting.

E-9-1-1 BOARD OF DIRECTORS REPORT - FEBRUARY 15, 2007

Mrs. Hansohn reported that the E-9-1-1 Board met, but there were no action items to bring to the full Board. She said the Board reviewed the budget and would be looking at it again on February 8.

See Attachment #4 for details of meeting.

JOINT TOWN/COUNTY AD HOC COMMITTEE ON WATER/SEWER AUTHORITY/BOUNDARY LINE ADJUSTMENT

Mrs. Hansohn reported that she and Mr. Nixon met briefly with the Town representatives and Mr. Aylor attended also. She said the Town representatives brought back the map the County received last year, with no changes on it, and stated that the Town would like to have all of the boundary adjustments at one time and thought the

phasing of 15 years was impractical. She said the Town felt that there was no real consensus from the Board of Supervisors.

Mr. Nixon stated that the County had asked for information in terms of why a boundary adjustment was justified and what the advantages would be for the boundary adjustment. He said the Town representatives presented an information sheet with frequently asked questions about boundary adjustment, and that information had been provided in the Board packets. He stated that the Town representatives said they were waiting for something definitive to come back from the Board, but he was under the impression that the Board was in general agreement for the most part and that a plan had been presented.

Mr. Walker agreed with Mr. Nixon that the Board had reached a strong consensus at its last meeting, particularly in several items to be presented to the Town Council. He said the Board should provide a consensus for a plan and move it forward to the Town Council for action.

Mr. Aylor agreed that the Board of Supervisors should move forward and not waste any more time, but should leave the door open for discussion with the Town.

Mr. Nixon stated that Mr. Bossio had a statement he would like to read.

Mr. Bossio said he had prepared remarks to set the historical picture of the negotiations, that he would read into the record if the Board wished him to do so. There were no objections:

Mr. Chairman, Members of the Board of Supervisors, honored council members and interested parties. In the last several weeks, I have been asked numerous questions and received a number of emails regarding the Water and Sewer situation. After last week's meeting of the ad hoc committee, it became clear to me that we should attempt to put a framework around the process as it has occurred so far. There are many misunderstandings and misperceptions among members of the general public regarding this most complicated issue of water and sewer and the issue of Boundary Line Adjustment. Let me try to add some focus and clarity by submitting the following.

1. This is an issue that will inevitably affect every citizen of Culpeper County including those in the Town, no matter what decisions are made.
2. Both the Town and the County are faced with compliance with new DEQ regulations stemming from the Chesapeake Bay Act that will require substantial completion of a regional water and sewer authority or independent plants by December 2010.

The short version of the history is that, for the last year and a half, the Town and County staffs have been engaged in an effort to put together a framework for the ultimate negotiations that would take place. These negotiations began as soon as we discovered what the long term implications of these new regulations might be. The implications for

the County were clear; find a way to be in the water and sewer business or forever lose the option to direct the destiny of the county with regard to water and sewer and possibly land use in the county. With many projects in the county needing water and sewer and the fact that the county was now firmly engaged in the water and sewer business through the new facility in Clevenger's Comer, coupled with the fact that the aging plant in the airport industrial park needed upgrading in order to accommodate the commercial growth there, the choices were clear.

1. Go it alone and rely on market forces to insure the financing of the cost of the infrastructure or;
2. Partner with the town in order to bring to fruition the concept of a Regional Water and Sewer Authority.

The Board chose to open negotiations with the town to explore if there was interest in such an effort. Here is where the first misconception occurs. Faced with a time crunch, the county had to have a commitment from the town on the water and sewer authority or proceed toward getting its own allocation. The time issue was restrictive and confusing to all and resulted in a less than optimum beginning. It left the town with the impression that the county was putting undue pressure on to join the authority. This resulted in a further time crunch and a decision on the part of the county to go forward and pursue the allocation for those connections that were presently in the county thereby preserving future options. Up until that time, the town assumed that those connections would be served by the town since they had the infrastructure to accomplish it. The exigency of time forced both entities to continue along dual paths in order to preserve their options while continuing work on the agreement.

After the county received its allocation based on the connections that were in the county, some further discussion occurred and the town signaled that it would indeed be interested but, that if the town were to give up control of its facility to an independent authority, a boundary adjustment would be required in order to offset future financial implications resulting from the change. The staffs began negotiations after council, through the town manger submitted a letter with 9 points which represented their position. The major elements of the 9 points were:

1. All areas to be boundary adjusted simultaneously.
2. The Town would continue its quest to increase its capacity to 6 million gallons per day.
3. The Town would put water and sewer plant into the authority in exchange.

The 9 points originally submitted remain virtually unchanged.

In the ensuing months, the staffs worked vigorously to frame the negotiations in general terms and to determine where the points of agreement and departure could be. Neither staff was of course authorized to make a commitment for the board or the council. The result of the staff negotiations yielded a framework document that included the town's 9 point desires and the county desire to have a regional water and sewer authority. Two key elements had changed during the course of the discussion. Originally, the cost of the upgrade to the town water and sewer plant was in the neighborhood of \$10M. Although, skeptical that those costs were closer to \$25M the county staff felt that at a cost of \$10M the current town plant could be effectively upgraded. The costs are now purported to be closer to \$20M and the county staff believes this should be a topic of serious concern going forward. The question of this kind of investment in 35+ year old infrastructure will need to be closely examined.

The second key element that has changed and perhaps the most important is that both staffs agreed that the current water and sewer agreement (nearly 10 years to accomplish) remain in effect until either the Regional Authority was accomplished or the decision was made to continue on separate paths. This agreement has served both the town and the county well in that it has provided the mechanism with which county projects could be guaranteed service either through the standing agreement or a multi party agreement and has provided the town a mechanism for the sale of its water and sewer beyond its borders. In February, the council voted to serve notice of the cancellation of that agreement effective February 14, 2008.

This action has a key impact on the technical merits of accomplishing the water and sewer authority. The Town's charter holds that it cannot turn over any of its assets to an authority until it either conducts a referendum on the matter or asks the General Assembly for a change in its charter. The staffs had put together a plan for addressing this issue that would have the town join the authority by being signatory to an agreement to allow the authority to operate the town's assets until such a referendum was held. In the meantime, by the framework document, all availability fees collected in the town and county would be placed in an escrow account for turnover to the authority once the referendum was complete. The Town's position has been that the boundary adjustment would be completed at the same time the operating agreement was signed. The canceling of the current water and sewer agreement has given pause and raised questions concerning the feasibility of such a mechanism given the current situation.

The last meeting of the ad hoc committee may have further complicated the issue. At the meeting prior, Board representatives articulated clearly and succinctly that in general, the county Board of Supervisors had considered favorably the notion of boundary adjustment of some areas, but that the, "everything at once" approach was clearly off the table. Instead there was a consensus that the Board was willing to adjust some areas but with phasing and articulating a clear concern regarding the BPOL tax and its implication on the businesses involved. Board members were emphatic that specifically, Terremark World Wide was definitely off the table and the map clearly indicated that. At the last meeting council members suggested that the county had not clearly articulated what it wanted to do therefore on behalf of council it submitted a map with the town's request for the boundaries which reflected the areas of adjustment as they were over a year ago including Terremark Worldwide. In the last four meetings that have occurred, two with the entire council and board invited and two ad hoc committees, the discussion has predominantly been about boundary adjustment. There has been no discussion of what exactly the town was willing to commit to regarding its assets and cash.

1. Will the town commit to bringing \$20.M+ to the table it reportedly has collected in water and sewer connection fees from customers in and out of town?
2. Is the town willing to ask for a charter change in lieu of a referendum?

Troublesome as well, is the fact that although the county has pursued funding through bonding to pay for water at the high school and requested with letters and a resolution, to serve the new High School with water under the current agreement, the recent position taken by the town has been that it would only serve the high school outside the agreement where they would control the placement of the meters. To the uninitiated to the nuances of water and sewer this may seem innocuous. The distinction is more powerful however. If the school is served in accordance with the agreement, the meter would be placed in the Montanus park area and would meter the flow into the county. This protects the town from undue stress on the system as each new connection is based on commensurate flow (if available) from the town. The county could not use more allocation than the town would authorize or that the county would be for in accordance

with the agreement. In fact, both parties are protected when utilizing the agreement both are signatory to. The opposite however is not the case. If the meter were to be placed at the High School, by law the town could in effect run water anywhere in the county. In this case, only the town interests are protected. In hostile annexation cases, utilities are sometimes a key component. While the town has not declared such intent, the negotiations must be balanced with neither side having a clear advantage. The current water and sewer agreement preserves this balance until a decision can be made.

As the negotiations continue, time continues to march forward and the December deadline looms closer. The town certainly has clear options on its own to constantly upgrade the current plant. The county has options as well and is working a dual track to keep the door open to negotiation and a possible settlement. Thus far, the county has:

1. Obtained its own allocation
2. Currently building a \$20M water and sewer facility in Clevenger's Comer paid for through developer proffers.
3. Purchased the Sewer plant for area near the new high school.
4. Purchased the land for a future Regional Water and Sewer Authority.
5. Begun the design of the Mountain Run wastewater facility.
6. Begun development of the water resources in the Brandy Station and Elkwood areas.

Next Steps:

1. Consider water and sewer authority service areas in the environs. This would have no impact if a regional authority were formed but establishes clearly those areas which the County intends to serve.
2. Continue to develop the water sources in the area it intends to serve.
3. Establish collector routes to the interim collector plant.
4. Continue to build the water line to Montanus which will be ultimately necessary regardless if a Regional authority is formed or not.

Mr. Chase rejoined the meeting at 3:00 p.m.

Mr. Maddox stated he would like to make a point of clarification on an aspect of Mr. Bossio's statement. He said it was his interpretation of the Town's Charter provisions that a referendum was required for the sale or otherwise disposal of the entire utility system, but no referendum was required if the Town wished to dispose of a particular piece of equipment or subdivision of the entire system.

Mr. Nixon asked Mr. Howard whether there were any time-sensitive or critical elements regarding the water and sewer issue. Mr. Howard replied that the biggest time-sensitive date was the completion of the Mountain Run wastewater treatment plant by 2010 to preserve the waste load allocations, and that was currently under design. He said another critical date was the completion of the high school project in order to open by the August 2008 deadline. He noted that the wastewater treatment plant order would be approved shortly for delivery for installation later this year. He added that the high school

wastewater plant would be considered by the Board later on the agenda and provisions would have to be made for water to the high school in the event the Town would not provide water service to the high school.

Mr. Nixon stated that in the event the County decided to go forward on its own, there was still an opportunity for the Town to join the Authority at any time. Mr. Howard agreed that was correct. Mr. Nixon asked Mr. Howard whether it would be prudent for the Board to give him a consensus to move forward with those plans in the event an agreement with the Town could not be achieved. Mr. Howard replied it would be helpful in order to maintain the time line for the high school and for a wastewater plant at Mountain Run.

Mr. Chase stated strongly that the Regional Authority had already been established and was in existence at the present time. He questioned why the Board was trying to work out an agreement with a body that cancelled an agreement already in existence.

Mr. Walker stated that the Board had been moving forward on both the high school and the Mountain Run plant. He said the Town Council had not voted on serving the high school, even though a two-member committee had recommended against serving the high school

Mrs. Hansohn stated it was her opinion that the County should continue its current activities because time was of the essence. She said if the Council wanted to join with the County, they were welcome to do so. Mr. Chase agreed that the County should move forward.

Mr. Aylor suggested that Mr. Howard should line up bids for drilling a well at the high school even though he was confident that the Town would work with the County in providing a water supply. He felt that proceeding would provide the tools needed to make preparation for a water supply to the high school in the event that was necessary.

Mr. Chase thought there was already a well on the site. Mr. Howard agreed that was a well there, but it did not have enough capacity to serve the high school and provide storage capacity for fire flow. He said that his office would proceed with designing the tank and obtaining Health Department approval, and the lines to the Town were to be advertised for construction this weekend.

Mr. Bossio pointed out that the goal was to have water at the high school by December 2007, even though occupancy of the building would not take place until the fall of

2008.

A lengthy discussion ensued regarding whether there was agreement from the Town to provide water for the high school, and Mr. Bossio referred back to this prepared statement.

Mr. Maddox stated that the Board did vote on a resolution under the agreement to serve the high school and that resolution was forwarded to the Town Council, but he was not aware that the Town had taken any formal action on that request.

Mr. Bossio stated he would read a letter into the record from Brannon Godfrey, Town Manager, dated September 3, 2004, regarding "Water and Sewer Service to Green's Corner":

Dear Frank:

I received your letter dated August 31, 2004 requesting 90,000 gpd reserve capacity for the high school project at Greens Corner. The request is in keeping with the March 2002 Town/County Water and Sewer Agreement.

You and I discussed recently, the proposed 2007 opening schedule for the high school may put a pinch on our sewer capacity since the planned expansion was scheduled for 2008 and we don't expect the housing growth to slow before that date. We will therefore be reevaluating our capacity for 2007. Nevertheless, I believe we can handle the additional water flow from the high school prior to the expansion. Current Water Plant production is still under 50% of capacity and is not a concern

Mr. Bossio stated there was a subsequent letter from the Town dated June 29, 2006 that read: At its regular meeting on June 13, 2006, the Town Council approved the extension of the water and sewer to serve the new high school on Green's Corner. The cost of the water line extension would be paid from the proceeds of the school construction bonds.

Mr. Walker pointed that there had been a notice to abandon the agreement that would take effect one year after the notice was issued, so that agreement was still legally binding at this time. Mr. Maddox agreed with Mr. Walker's statement.

Mr. Aylor stated that even though there were questions regarding the agreement, he felt that the Town would take care of business in a timely fashion.

Mr. Aylor moved, seconded by Mr. Rosenberger, to authorize staff to move forward with research, design and any other action required to provide water to the high school.

Mr. Walker asked whether the motion covered expending any funds. Mr. Aylor replied that the motion covered whatever the staff needed to do to provide water to the high

school, but did not mention funds.

Mr. Howard stated that he would obtain a proposal from the staff engineer to proceed with designing the tank and find out what that design would cost.

Mr. Aylor stated that his motion was to authorize staff to move forward to engineer the tank and the design, but any funds required would come back for the Board's approval.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

ECONOMIC DEVELOPMENT REPORT

Mr. Carl Sachs, Economic Development Director, provided an update on commercial developments in the Town. He said that Target was ready to open, and Pet Smart was scheduled to open April 1. He stated that the Terremark rezoning was on the Planning Commission's agenda for this month's meeting, and hopefully that would be moved forward since they planned to break ground in June and have the first building completed by June 2008.

Mr. Sachs announced that the Piedmont Area Job Fair would be held March 7 at the Germanna Center for Advanced Technology, from 1:00 to 7:00 p.m., and over 70 businesses would be participating.

AIRPORT ADVISORY COMMITTEE REPORT - MEETING CANCELLED

Mr. Bossio reported that the Airport Advisory Committee meeting was canceled.

ADMINISTRATOR'S REPORT

Mr. Bossio stated he had nothing to report.

CLOSED SESSION

Mr. Aylor moved to enter into closed session, as permitted under the following *Virginia Code* Sections, and for the following reasons:

1. Under *Virginia Code* §2.2-3711(A)(1), to consider: (A) An appointment to the Joint Board of Building Code Appeals to fill one vacancy for a five-year term; (B) an appointment to the Public Transportation Advisory Committee to fill one vacancy for a one-year term; and (C) advertising for an appointment to the Piedmont Workforce Network.
2. Under *Virginia Code* §2.2-3711(A)(7) & (A)(30), for discussion with legal counsel and

staff to consider the terms and scope of one or more agreements with another public entity and legal issues of performance under several existing agreements with the same public entity, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the County.

3. Under *Virginia Code* §2.2-3711(A)(3), (A)(7) & (A)(30), for discussion with legal counsel and staff to consider the terms and scope of an agreement with a private contractor, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the County.

4. Under *Virginia Code* §2.2-3711(A)(1) & (A)(4), for discussion with legal counsel and staff regarding a personal matter not relating to public business, involving an employee of the County.

5. Under *Virginia Code* §2.2-3711(A)(7) & (A)(30), for discussion with legal counsel and staff regarding the status of contract negotiations for extension of a sewer line to a government facility, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the County.

Seconded by Mrs. Hansohn.

Mr. Nixon called for voice vote.

Ayes – Aylor, Hansohn, Nixon, Rosenberger, Walker

Nay - Chase

Absent – Coates

Motion carried 5 to 1.

The Board entered into closed session at 3:25 p.m.

The Board returned to open session at 4:40 p.m.

Mr. Nixon polled the members of the Board regarding the closed session held. He asked the individual Board members to certify that to the best of their knowledge, did they certify that (1) only public business matters lawfully exempted from the open meeting requirements under Virginia Freedom of Information Act, and (2) only such public business matters as were identified in the closed session motion by which the closed meeting was convened, were heard, discussed or considered by the Board in the closed session.

Ayes – Chase, Aylor, Walker, Nixon, Rosenberger, Hansohn

Mr. Nixon asked that the record show Mr. Coates was not present for the closed

session.

**RESOLUTION REQUESTING WATER AND SEWER FROM THE TOWN OF CULPEPER
FOR TERREMARK WORLDWIDE, INCORPORATED**

Mr. Aylor moved, seconded by Mrs. Hansohn, to adopt a resolution to request water and sewer services from the Town of Culpeper, Virginia, pursuant to the water and sewer agreement dated June 3, 2003, for the County to provide water and sewer service to Terremark Worldwide, Incorporated.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

APPROVAL OF A ONE-TIME EXPENDITURE

Mr. Aylor moved, seconded by Mr. Walker, to authorize the County Administrator to make a one-time expenditure of up to fifteen thousand dollars (\$15,000) to resolve a specific personnel matter.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

APPROVAL OF ZENON CONTRACT

Mr. Aylor moved, seconded by Mr. Chase, to approve execution of a contract with Zenon Environmental Corporation for purchase of a full functional, pre-tested, factory assembled wastewater treatment system.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

APPOINTMENT FOR JOINT BOARD OF BUILDING CODE APPEALS

Mr. Aylor moved, seconded by Mrs. Hansohn, to appoint William G. Miller, Jr., to the Joint Board of Building Code Appeals for a 5-year term.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

APPOINTMENT TO PUBLIC TRANSPORTATION ADVISORY COMMITTEE

Mr. Aylor moved, seconded by Mr. Walker, to appoint Janet M. Wise to the Public Transportation Advisory Committee (PTAC) for a one-year term.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

ADVERTISE VACANCY ON PIEDMONT WORKFORCE NET WORK BOARD

Mr. Aylor moved, seconded by Mrs. Hansohn, to direct staff to advertise for appointment to fill a vacancy on the Piedmont Workforce Network.

Mr. Nixon called for voice vote.

Ayes – Aylor, Chase, Hansohn, Nixon, Rosenberger, Walker

Absent – Coates

Motion carried 6 to 0.

ADJOURNMENT

Mrs. Hansohn moved to adjourn at 4:45 p.m.

Peggy S. Crane, CMC
Deputy Clerk

John F. Coates, Chairman

ATTEST:

Frank T. Bossio,
Clerk to the Board

APPROVED: April 3, 2007